



# MIAMI BEACH

## City Commission Meeting

### ADDENDUM MATERIAL

City Hall, Commission Chambers, 3rd Floor, 1700 Convention Center Drive  
July 12, 2006

Mayor David Dermer  
Vice-Mayor Jerry Libbin  
Commissioner Matti Herrera Bower  
Commissioner Simon Cruz  
Commissioner Luis R. Garcia, Jr.  
Commissioner Saul Gross  
Commissioner Richard L. Steinberg

City Manager Jorge Gonzalez  
City Attorney Jose Smith  
City Clerk Robert E. Parcher

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#### ATTENTION ALL LOBBYISTS

Chapter 2, Article VII, Division 3 of the City Code of Miami Beach entitled "Lobbyists" requires the registration of all lobbyists with the City Clerk prior to engaging in any lobbying activity with the City Commission, any City Board or Committee, or any personnel as defined in the subject Code sections. Copies of the City Code sections on lobbyists laws are available in the City Clerk's office. Questions regarding the provisions of the Ordinance should be directed to the Office of the City Attorney.

#### ADDENDUM MATERIAL

#### C6 - Commission Committee Reports

- C6D Report Of The Finance And Citywide Projects Committee Meeting On July 6, 2006: **1)** A Cost Analysis Of A Policy To Start Buying Hybrid Vehicles When Replacing Cars In The City Fleet; **2)** Discussion Regarding Maximizing Bookings At The Byron-Carlyle And Colony Theaters For Extended-Run And For Off-Peak Bookings By Allowing For Adjustments To Rental Rates At The Theaters; **3)** Discussion Regarding Proposed City Of Miami Beach Financial Policies, As Recommended By The Budget Advisory Committee; **4)** Discussion Regarding Proposed FY 2006/2007 General Fund Operating Budget; **5)** Discussion Regarding Recommendations Of The Health Facilities Authority (HFA) To Donate \$1,001,286 Of The Surplus Funds Of The HFA, And To Waive \$121, 084 Of Fees Due From Mt. Sinai Contingent Upon Their Mount Sinai's Agreement To Use The Funds For Toward Their Disaster Preparedness Efforts As Described In Their Proposal To The HFA; And **6)** Discussion Regarding Fire Inspection Fee In The 2006/07 City Budget.

**R7 - Resolutions**

- R7P A Resolution Accepting A Donation Of Surplus Funds From The Miami Beach Health Facilities Authority ("MBHFA") Account, Pursuant To A Resolution Of The MBHFA Adopted At Its May 31, 2006 Meeting, In The Amount Of \$1,001,286, For Appropriation And Disbursement By The City To Non-Profit Human Health Service Agencies, As Provided In Section 154.209(14), Florida Statutes; Provided Further That The MBHFA And The Finance And Citywide Projects Committee Recommend That Such Surplus Funds Be Appropriated And Disbursed As Follows: 1) \$249,675 To Miami Beach Community Health Center, Inc., To Fund The Purchase Of An Emergency Generator For The 71st Street Center; And 2) \$751,611 To Mount Sinai Medical Center, To Be Used Toward Such Disaster Preparedness Efforts, As Referenced In Mount Sinai's Proposal And Presentation To The MBHFA, Dated May 31, 2006; Further Waiving The MBHFA Fees Charged To Mount Sinai Medical Center For Fiscal Year (FY) 2005, In The Amount Of \$ 121,084, Provided That Said Waiver Of Fees Is Subject To And Contingent Upon Mount Sinai's Agreement To Use Said Amount Toward Disaster Preparedness Efforts, As Set Forth In Its Proposal And Presentation To The HFA, At Its Meeting On May 31, 2006.

(Finance Department)

**R9 - New Business and Commission Requests**

- R9N Discussion Regarding Ad Hoc Condominium Reform Taskforce Progress Report And Recommendations.

(Requested by Commissioner Matti Herrera Bower)



# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: City Manager Jorge M. Gonzalez

DATE: July 12, 2006

SUBJECT: **REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE MEETING  
OF JULY 6, 2006.**

### OLD BUSINESS

1. **A cost analysis of a policy to start buying Hybrid vehicles when replacing cars in the City fleet.**

### ACTION

Assistant City Manager Robert Middaugh presented the item. Mr. Middaugh stated the analysis presented was based on the information available at the time of presentation by Fleet Management. He explained the comparison between gas and hybrid vehicles as it pertains to cost of acquisition, as well as the cost to maintain the vehicle over its useful life. For example a Ford Escape Hybrid currently costs \$29,490 to acquire and maintain over its life while a non hybrid Ford Escape costs \$19,550, leaving a negative variance of \$9,940 between the two cars. The main component of the variance is the purchase price which is roughly \$10,500 more for a hybrid vehicle. Mr. Middaugh stated that the City's fleet is currently comprised of 518 sedans and light trucks of which 400 are in use by the Police Department.

Andrew Terpak, Fleet Management Division Director reviewed the vehicle acquisition cost based on actual available contracts, current fuel cost and mileage assumptions based on historical data from the City's fleet management system.

Mr. Terpak pointed out that because the hybrid vehicles do not have an extensive track record many details are yet to be documented such as:

- Repairs and Maintenance cost over the normal life cycle.
- Actual life cycle of the batteries .
- What effect heat, humidity and salt air (corrosion) will have on the battery pack over time.
- Actual retail sales.
- Actual warranty adjustments in the event of a battery failure.
- Overall safety of the hybrid vehicles.
- Cost of recycling batteries.
- Actual EPA mileage may vary based on driver performance and general conditions.

Mr. Terpak added that although manufacturers have extended warranties which "cover" miles or time on hybrid batteries, over time the capacity of a battery will deteriorate and will no longer hold a charge. The current cost based on fleet pricing to replace a battery pack in a Ford

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Escape is \$6,273. The battery retails for \$7,120. Both prices include a core reimbursement of \$1,050 plus labor which is estimated to be 3.5 hours.

Mr. Terpak added that depreciation was included in the comparison analysis. Consumer reports projection of residual values were inflated for the retail market and reflect a best case scenario and would not be representative of a fleet vehicle.

The Committee discussed whether it made sense to spend an additional \$100,000 a year to be environmentally conscious. Vice-Chairman Richard Steinberg asked Mr. Terpak if additional efforts were being made by the department to be more environmentally conscious. Mr. Terpak stated that Fleet Management Division has met with both the Police and Fire department in order to downscale the size of the cars whenever possible in order to make the fleet more fuel-efficient. The department has also made a conscious effort to purchase more fuel-efficient automobiles as it replaces cars in the fleet.

The Committee decided that they were going to review the information presented, and if they had any further questions they would request that the item return for discussion at a later date.

## **NEW BUSINESS**

### **2. Discussion regarding maximizing bookings at the Byron Carlyle and Colony Theaters for extended-run and for off-peak bookings by allowing for adjustments to rental rates at the theaters.**

## **ACTION**

Max Sklar Cultural Arts & Tourist Development Director introduced the item. Mr. Sklar gave a brief history to July of 2004, when the Mayor and City Commission adopted Resolution No. 2004-25646 which established rental rates for the Byron Carlyle, Colony and Little Stage theaters. These rates were determined after a detailed examination of rates charged by similar venues in South Florida and elsewhere, and included fee schedules for non-profit organizations as well as for commercial users. There were, however, no provisions made for extended-run bookings, nor for off-season rate reductions, furthermore, the Administration was not granted the ability to adjust rates when necessary under such circumstances to maximize theater use. Mr. Sklar explained that with the opening of the Miami Performing Arts Center (MPAC), the Administration believes it is time to take more aggressive action to provide residents and visitors with the widest possible variety of cultural offerings.

Mr. Sklar explained that the Byron Carlyle Theater was extremely successful during its first year of operation, exceeding its booking and income projections by 262%, however, bookings have fallen off dramatically since the opening of the more desirable Colony Theater. The Colony is already heavily booked for the 06/07 season, with only holiday weekends (i.e. Thanksgiving and Christmas) still available. It remains to be seen if there will be enough spillover to keep the Byron Carlyle at previously booked levels. Traditionally both theaters are slow in the summer months. Mr. Sklar is concerned that during this coming summer the Colony will be dark for weeks at a time, and there is nothing at all booked at the Byron Carlyle from June 2 until October 4 - this following a slow spring. Additionally, both theaters generally are dark on Monday and Tuesday nights throughout the year.

Mr. Sklar explained that the vast majority of users for both theaters have been local non-profit arts groups (most of them CAC grant recipients) booking from one to three days at a time, with one or two public shows. Commercial users are few, and the opening of the MPAC's Black Box



may reduce their number even further. The fee structure currently in place discourages extended-run bookings, particularly at the higher commercial rates. Mr. Sklar believes that enabling the Administration to negotiate these rates during periods when a theater would not otherwise be utilized would increase revenues while benefiting residents and visitors by expanding the number of cultural offerings. Mr. Sklar explained that flexibility with the fee schedule would also allow the accommodation of numerous requests for independent film screenings and other small commercial productions throughout the year. Additional revenues would result from ancillary bookings for daytime use such as recordings and road-show rehearsals. Mr. Sklar stated that the requests for these types of bookings have increased recently.

Chairman Saul Gross questioned Mr. Sklar as to whether the lack of bookings for those months had to do with the rates being offered or if it had to do with lack of advertising of the theater.

Mr. Sklar explained that they currently advertise to industry specific venues and to local producers. He also believes that having the flexibility to mold pricing according to the needs of the different events and organizations could in fact address the current issue and can indeed increase the amount of bookings for both theaters. Eric Fliss, Cultural Facilities Manager, added that he has received numerous requests for events and organizations that do not fit in any of the set categories, and he believes having the flexibility with the rates would give the Administration the ability to maximize the booking at these theaters.

Chairman Saul Gross suggested referring the item to the Cultural Arts Council and then make a recommendation to the City Commission. Mr. Sklar stated that the next meeting of the Cultural Arts Council is in September.

Commissioner Matti Bower, as well as other Committee members present were concerned that the cost of operating the theaters would be offset by the earnings from such bookings. The Committee discussed the number of full time personnel necessary to operate the theaters to make it available for the events. Mr. Sklar stated that this would be taken into consideration when the new fees are proposed. Vice Chairman Richard Steinberg as well as Commissioner Matti Bower wanted the rates presented to be specific as a matter of policy and as equitable as possible.

The Committee directed Mr. Sklar to draft a rate proposal and present them to the Cultural Arts Council for review before they are presented to the Commission for approval.

### **3. Discussion regarding proposed City of Miami Beach Financial Policies, as recommended by the Budget Advisory Committee.**

#### **ACTION**

Budget and Performance Improvement Director Kathie Brooks presented the item. Ms. Deede Weithorn, Chair of the Budget Advisory Committee (BAC), briefly explained the purpose for the participation of the BAC and stated that the City is currently enjoying the best financial position in years. Ms. Weithorn stated that this is the time to implement financial policies. Furthermore, Ms. Weithorn added many of the recommended policies are informally in place already but should be formalized to ensure they are continued in the future. City Manager Jorge Gonzalez agreed with the City's overall financial health and suggested that it was a great time to adopt the BAC's recommendations. Ms. Brooks explained that the City of Miami Beach's Strategic Plan includes Key Intended Outcomes to ensure the long-term sustainability of City's government, ensure expenditure trends that are sustainable over the long term, and improve overall financial

health and maintain overall bond ratings. A number of policies and structural changes have been implemented to achieve these outcomes. One of the citywide initiatives adopted with the FY 2005/06 budget is the review and further enhancement of the City's financial policies.

As stated by Ms. Brooks beginning in January 2006, the Budget Advisory Committee (BAC), with support from City Administration, began the task of analyzing the City's existing policies, identifying best practices as recommended by the Government Finance Officer Association (GFOA), and reviewing policies of other highly-regarded municipalities. City staff also provided insight regarding rating agency considerations for improving their perspective on the financial outlook of the City.

Furthermore, Ms. Brooks added, the City has a number of existing formal and informal financial policies that provide the framework for budget development and adoption and for financial management. Many of these formal policies are governed by State Statute, City Charter, and by City of Miami Beach Commission resolutions. However, some are informal policies subject to implementation by the City Administration. The existing policies include:

- Balanced Budget Development and Adoption
- General Fund 11% Emergency Reserve
- Setting Fees & Charges
- Use of One-Time Revenues
- Contingency Planning and Budgeting
- Debt Policy
- Use of Plans Guiding the Design of Programs and Services (City's Excellence Model)
- Capital Asset Acquisition, Maintenance, Replacement, & Retirement

Ms. Brooks presented the BAC's initial set of recommendations, which were the initial focus of the BAC and are as follows. Please see Exhibit "A":

BAC Recommendation:

Stabilization of Funds & Fund Balance/Contingency Planning and Cash Reserves

- ❖ General Fund
- ❖ Enterprise Funds
- ❖ Risk Management Fund

BAC Recommendation: Use of Non-Recurring Revenues

BAC Recommendation: Capital Asset Acquisition, Maintenance, Replacement and Retirement

BAC Recommendation: Guiding the Design of Programs and Services

Additional policies may be considered in subsequent reviews

Ms. Brooks stated that the City Administration supports the policies presented in the recommendations of the Budget Advisory Committee. She recommends formalizing the policies set forth by the BAC.

Patricia Walker, Chief Financial Officer stated that implementing the BAC recommendations is important in maintaining the City's overall bond rating. She went on to explain that the rating agency's are now looking very closely at the City's policies and procedures due to the fact that

the City is barrier island. Bond rating agencies are concerned with our ability to meet our debt requirements and business continuity in case of a natural disaster.

Commissioner Jerry Libbin noted that pension and liability insurance were not included among the budgetary recommendations. Ms. Weithorn admitted that due to the fact that pension and liability insurance were more complicated that the BAC decided to focus on those issues at a later time.

The Committee as well as the City Administration supports policies similar to the recommendations of the Budget Advisory Committee and recommends that they be formalized through resolutions for consideration by the Commission.

#### **4. Discussion regarding proposed FY 2006/2007 General Fund Operating Budget.**

##### **ACTION**

Kathie Brooks, Budget & Performance Improvement Director, presented the item. Ms. Brooks discussed the handout labeled Exhibit "B". Ms. Brooks explained that the main budget themes for FY 2006/2007 continue to be maintaining current services, increasing taxpayer value for services, addressing priorities identified by the community, and continuing to incorporate structural changes for the future that ensure the fiscal management and sustainability for the City in the long term.

Ms. Brooks explained the increasing the value of services for taxes paid by the community which are as follows:

- Reducing the overall combined millage by 0.4 mills – which results in a reduction of \$30.75 paid to the City by the average homesteaded property owner – a reduction of over 1 mill since 2000.
- A \$300 dividend return for Miami Beach homesteaded property owners.
- Providing fee relief for water, sewer, sanitation and life safety inspections.
- Expanding free access for residents to Miami Beach programs and facilities.
- Enhancing service levels to address community priorities.

In accordance with the City's vision the following Communities Priorities will be funded by FY 2006-2007 budget:

- Cleaner and Safer (\$2.9 million)
- Beautiful and Vibrant, Mature Stable Residential Community, Urban and Historic Environment (\$1.2 million)
- Cultural, Entertainment and Tourism Capital (\$0.3 million)
- International Center for Innovation in Culture, Recreation and Business (\$0.76 million)
- Well Improved Infrastructure (\$0.66 million)
- Communications, Customer Service and Internal Support Functions (\$0.4 million)

In addition, the following structural changes will be incorporated:

- Beautiful and Vibrant, Mature Stable Residential Community, Urban and Historic Environment (\$0.5 million additional for new re-forestation program)
- Well Improved Infrastructure (\$2.5 million additional for Pay-as-you-go capital)

Ms. Brooks went on to explain the General Operating Millage for FY 2006/07.

Some highlights were the reduction of the millage for general operating expense to 7.192 mills – down from 7.299 a reduction of 0.107mills. The millage for Renewal & Replacement was maintained at 0.182 mills. Debt Service was set at 0.299 mills a 50% reduction from FY 2005/06 rate of 0.592 for a reduction of 0.293 mills. The aggregate represents a combined reduction of 0.4 mills for fiscal year 2006/2007. Ms. Brooks stated the Proposed Budget represents the largest millage reduction in more than 10 years.

The Committee recommended approving the proposed operating budget and work plan.

- 5. Discussion regarding recommendation of the Miami Beach Health Facilities Authority (MBHFA) to donate \$1,001,286 of the surplus funds of the MBHFA, and to waive \$121, 084 of fees due from Mt. Sinai contingent upon Mt. Sinai's agreement to use the funds toward their disaster preparedness efforts as described in their proposal to the MBHFA.**

### **ACTION**

Patricia Walker, Chief Financial Officer introduced the item. She stated the recommendations of the Miami Beach Health Facilities Authority (MBHFA) were to donate excess fund of \$1,001,286 to the City and distribute the funds as follows:

- a) that the amount of \$249,675, be appropriated and disbursed to Miami Beach Community Health Center, Inc., to fund the purchase of an emergency generator for the 71<sup>st</sup> Street Center; and
- b) that funds, in the amount of \$ 751,611. be appropriated and disbursed to Mount Sinai Medical Center to fund disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the HFA at is May 31, 2006 meeting.

The MBHFA also voted to waive the fees owed by Mount Sinai Medical Center for FY 2005, in the amount \$ 121,084, provided that said monies are applied by Mount Sinai to fund such disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the MBHFA at its May 31, 2006 meeting.

Commissioner Simon Cruz as well as Chairman Saul Gross agreed with recommendations presented by the MBHFA but did not agree with withholding of \$300,000 for future contingencies. Upon further discussion they did not find any historical support to base the MBHFA decision to keep the \$300,000 surplus. They did agree that some level of surplus would be necessary but did not agree as to an amount.

Mr. Luis Reiter, Bond Counsel for the City, explained that a process has been in place since 1992, and that only MBHFA may declare a surplus, and that once the MBHFA declares a surplus they must donate the funds to the City for the City Commission to determine their use and that the MBHFA can only make a recommendation to the City Commission as to how to distribute the funds.

The Committee moved to accept the MBHFA's recommendation. They also asked the MBHFA to reevaluate the \$300,000 being held in contingency at the MBHFA's next meeting.

- 6. Discussion regarding Fire Inspection Fee in the 2006/07 City budget.**

## **ACTION**

Kathie Brooks, Budget & Performance Improvement Director, introduced the item. She stated that at the June 7<sup>th</sup>, 2006 Commission meeting, the Commission referred the above-referenced item to the Finance and Citywide Projects Committee for discussion.

The City currently charges a fee to businesses for life safety inspections by the Fire Marshall. The fee is billed along with the occupational license and /or certificate of use. In FY 2004/05, the fee generated \$342,000 in revenues and similar revenues are projected for FY 2005/06.

Ms. Brooks stated that Commissioner Luis Garcia has expressed interest regarding a potential opportunity to provide relief to our businesses and has identified this fee as an expense that businesses incur that could be potentially funded from another source.

Commissioner Garcia stated that this fee was originally created as a way to generate revenue and that it may no longer be necessary. He further stated that these inspections are not being done on a timely basis.

Commissioner Jerry Libbin raised concerns that businesses were charged for a service that was not being rendered, but because there could be safety implications associated with the inability to perform these inspections. The Administration explained that the fee was a tax to defray the cost of the Life Safety Inspection Program and did not represent a fee for an individual inspection.

Floyd Jordan, Fire Chief stated that there are many reasons as to why these inspections are not performed on a timely basis. He stated that due to the nature of using firefighters on a rotating basis rather than state certified civilians results in the need for continuous retraining - a lengthy and cumbersome process. Sonia Machen, Fire Marshall explained that currently only 30 to 40% of these inspections are being done timely Ms. Machen stated that the City's goal is to do these inspections on a yearly basis.

The Committee recommended waiving the fee charged for life safety inspections for Fiscal Year 2006/2007 and to consider reinstating it in future years.

JMG/PDW/ris/kaa

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MIAMIBEACH

BUDGET ADVISORY COMMITTEE

RECOMMENDED FINANCIAL  
POLICIES

May 2006

## **STABILIZATION FUNDS & FUND BALANCE, CONTINGENCY PLANNING AND CASH RESERVES**

### **GFOA Recommendation**

**Practice:** A government should develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes.

**Rationale:** Governments should maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

**Outputs:** The policies should establish how and when a government builds up stabilization funds and should identify the purposes for which they may be used. Development of a policy on minimum and maximum reserve levels may be advisable. Policies on stabilization funds should be publicly available and summarized in materials used in budget preparation. They also should be identified in other government documents, including planning and management reports.

**Notes:** Stabilization funds are called by many names including rainy day funds, unreserved, undesignated fund balances, and contingency funds. These funds may be used at a government's discretion to address temporary cash flow shortages, emergencies, unanticipated economic downturns, and one-time opportunities. They provide flexibility to respond to unexpected opportunities that may help a government achieve its goals. Policies on the use of these funds may also be tied to an adverse change in economic indicators (such as declining employment or personal income) to ensure that the funds are not depleted before an emergency arises. The minimum and maximum amounts to be accumulated may be based on the types of revenue, the level of uncertainty associated with revenues, the condition of capital assets, or the government's level of security with its financial position. Stabilization funds may be constrained by state or local laws. Legally required reserves should be distinguished from discretionary reserves.

### **"How Much Unreserved Fund Balance for the Fund Balance Policy?"**

A number of standards for size of unreserved fund balance in the general funds that have been cited over the years. GFOA recommends that general purpose governments, regardless of size, maintain unreserved fund balance in their general fund of no less than 5 to 15 percent of regular general fund operating revenues, or of no less than one to two months of regular general fund operating expenditures.

Bond raters and others often use the rule of thumb standard that calls for an unreserved fund balance in the general fund of 5 percent. Others argue that unreserved fund balance should be equal to no less than one month's operating expenditures (e.g., 8.3 percent). Still others argue for a broader range of one to three months of operating expenditures.

A government's particular situation may require levels of unreserved fund balance in the general significantly in excess of these recommended minimum levels. The most commonly

cited factor in greater unreserved fund balance size (general fund) is budget size. A government's unreserved fund balance should be inversely proportional to its total budget size. Smaller governments are more susceptible to economic changes and, therefore, require a larger unreserved fund balance.

Other factors cited for concern by GFOA include:

- Volatility of revenue structures (e.g. dependence on general sales tax, etc.)
- Diversification of revenue streams
- Ability to defer purchases
- Frequency of annual surpluses or deficits
- Stability of cash flows
- Economic sensitivity of expenditures

### Current Conditions

#### General Fund Reserves

Pursuant to City Commission Resolution No. 96-22014 adopted June 5, 1996 and amended by Resolution No. 98-22661, the City is required to maintain a reserve at 11% of the General Fund Operating Budget of the ensuing year, and can only be used for defined public emergencies requiring a 5/7 vote rather than a majority of the Commission.

The FY 2005/06 Adopted General Fund Operating Budget is \$207,925,117. The 11% Emergency Reserve level for FY 05/06 \$ 22,547,282. The undesignated fund balance in the General Fund as of September 30, 2005, net of the 11% Emergency Reserve and capital reserve of \$3.7 million, was \$12.3 million or 6% of the Adopted General Fund Operating Budget.

Further, on an annual basis, since 2001, the City appropriates funding for General Fund Operating Contingency and an additional appropriation for unfunded projects at the City Manager's discretion.

#### Reserves in the Risk Management Fund

The total unpaid claims in the Risk Management Fund as of September 30, 2005, is \$18.3 million, this includes as estimate for claims incurred but not yet reported of \$10.1 million. The City reserves on an "occurrence" basis, reserving for anticipated and known claims when they occur, regardless of the ultimate date of payment or disposition. AS of September 30, 2005, the fund reflected a total net negative assets of \$11.1 million.

The FY 2005/06 budget includes an annual appropriation of \$1 million to reduce the deficit in the Risk Management Fund, with a plan to continue to reduce the deficit over time.

### BAC Recommendation:

#### General Fund

The City of Miami Beach shall maintain the Emergency Reserve at 11% of the General Fund



Operating Budget of the ensuring year (11% Emergency Reserve) which defines a public emergency for which funds could be used as well as stipulating that expenditures specifically requires a 5/7 vote rather than the majority.

In addition, the City of Miami Beach shall have a goal to maintain a General Fund Reserve for Contingencies equal to 6% of the General Fund Operating Budget. In combination with the 11% pf Emergency Reserve, this represents 2 months of the General Fund Operating Budget expenditures. If the Reserve for Contingencies level falls below 6% level a plan of action will be required to increase the reserves over three to seven years (to at least 6%) and a percentage of any additional undesignated fund balance shall be earmarked toward attainment of the 6% level.

#### Enterprise Funds

The City of Miami Beach shall have a goal to develop and maintain appropriate levels of reserves in the Enterprise Funds as in the General Fund.

#### Risk Management Fund

The City of Miami Beach shall have a goal of maintaining a reserve of 100% of pending claims in the Risk Management Fund, and shall strive to fund 2/3 of the estimated value of insurance claims incurred but not reported.

## **USE OF NON-RECURRING/ONE-TIME REVENUES**

### **GFOA Recommendation**

**Practice:** A government should adopt a policy limiting the use of one-time revenues for ongoing expenditures.

**Rationale:** By definition, one-time revenues cannot be relied on in future budget periods. A policy on the use of one-time revenues provides guidance to minimize disruptive effects on services due to non-recurrence of these sources.

**Outputs:** One-time revenues and allowable uses for those revenues should be explicitly defined. The policy should be publicly discussed before adoption and should be readily available to stakeholders during the budget process. The policy, and compliance with it, should be reviewed periodically.

**Notes:** Examples of one-time revenues include: infrequent sales of government assets, bond refunding savings, infrequent revenues from development, and grants. These revenues may be available for more than one year (e.g., a three-year grant), but are expected to be non-recurring. Examples of expenditures for which a government may wish to use one-time revenues include startup costs, stabilization (e.g., to cover expenditures that temporarily exceed revenues), early debt retirement, and capital purchases. Uses that add to the ongoing expenditure base should be carefully reviewed and minimized, e.g., capital expenditures that significantly increase ongoing operating expenses without a sustainable and offsetting long-term revenue plan. Certain variable components of major revenue sources are similar to one-time revenue sources. While they may be addressed in a one-time revenue policy, they also may be considered separately.

An important subset of revenue diversification and stabilization policies is a use-of-one-time-revenue policy. The premise behind this type of policy is simple; the government should not use one-time revenues to fund ongoing expenditures. To do so might mean that the government would be unable to make up the gap created by the expiration of the one-time revenue in the next budget period, a situation that could lead to service cuts. The one-time revenue policy of the Village of Palos Park, Illinois, also states that use of one-time revenues will be limited to the purpose for which they were intended, or for a capital expenditure."

### **Current Conditions**

The City of Miami Beach does not have a formal policy regarding use of non-recurring/one-time revenues, however, it has been an informal practice that these revenues shall be for capital or other one-time expenditures.

### **BAC Recommendation:**

The City of Miami Beach will use one time, non-recurring revenue for capital expenditures or one time expenditures and not to subsidize recurring personnel, operations and maintenance cost.

## CAPITAL ASSET ACQUISITION, MAINTENANCE, REPLACEMENT AND RETIREMENT

### GFOA Recommendation:

**Practice:** A government should adopt policies and plans for capital asset acquisition, maintenance, replacement, and retirement.

**Rationale:** Policies and plans for acquisition, maintenance, replacement, and retirement of capital assets help ensure that needed capital assets or improvements receive appropriate consideration in the budget process and that older capital assets are considered for retirement or replacement. These policies and plans are necessary to help plan for large expenditures and to minimize deferred maintenance.

**Outputs:** Policies may address inventorying capital assets and evaluating their condition, criteria for acceptable condition, criteria for continued maintenance versus replacement or retirement of an existing asset, and identification of funding for adequate maintenance and scheduled replacement of capital assets. Plans should be developed to establish ongoing, multi-year replacement and renewal schedules, and should recognize the linkage of capital expenditures with the annual operating budget. Plans for addressing deferred maintenance may also be an output of this practice. Stakeholders should have an opportunity to provide input as capital asset policies and plans are formulated. Once adopted, the policies and plans should be made publicly available, particularly as set forth in budget, management, and planning documents. Policies and plans should be incorporated into decision making in the budget process.

**Notes:** Capital asset acquisition, maintenance, replacement, and retirement policies provide a basis for formulating long-range plans to address capital needs. These policies should be realistic if they are to be used in decision making. Information gathered through processes described in the practice entitled *Assess Capital Assets, and Identify Issues, Opportunities, and Challenges* can be helpful in formulating the policies and plans. When developing capital plans, maintenance of existing facilities, including deferred maintenance, should be considered along with new projects.

### Current Conditions

Capital Renewal and Replacement – 0.182 mills (\$2,529,563) for the purpose of maintaining a restricted account for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired. The City of Miami Beach adopted Resolution No. 2004-25697 on September 28, 2004 to establish a restricted renewal and replacement account funded by dedicating a portion of the millage to projects in the City's General Fund facilities that extend the useful life or replace equipment whose life has expired. The dedicated millage and project specific appropriations from the fund are reviewed and approved each year by the City Commission as part of the budget process. Unused funds stay in the account until projects are completed or can be used for other projects subject to Commission approval. On February 23, 2005, the City Commission adopted Resolution No. 2005-25832 to establish more stringent criteria for the use of these funds by summarizing the criteria into three critical areas; include a preamble/whereas

clause pertaining to emergency use of funds; and provide a provision for emergency use of the funds.

Further, the City currently has no written policy but does fund the following in FY 2005/2006:

- **Capital Reserve Fund** – The Capital Reserve Fund has been established to provide funding related to previously approved capital projects for expenditures due to bids that are over-budget, change orders, or other unforeseen items. Since FY 2005/06, this has been funded through an annual appropriation. Further, General Fund revenues in excess of expenditures at year-end were transferred to the Capital Reserve Fund at the end of FY 2004/05 and are anticipated to be transferred at the end of FY 2005/06. In addition to the \$3.7 million appropriated for the Capital Reserve Fund based on revenues in excess of expenditures at the end of FY 2004/05, in FY 2005/06 the City of Miami Beach appropriated \$2.5 million towards the Capital Reserve Fund contingency. The total in the Capital Reserve Fund is projected to be \$6.2 million by the end of FY 2005/06 less any needs that may occur throughout the year.
- **Pay-As-You-Go Capital Fund** - The City Commission approved the establishment of a Pay-As-You-Go Capital Fund that designates a certain portion of the operating budget to be re-invested in capital. This helps ensure adequate, on-going re-investment in capital plant and equipment, often called "Pay-As-You-Go" capital funding. Without a Pay-As-You-Go in a city's capital budget, new General Fund projects that are needed from time-to-time often have to be deferred until the City goes out for a major bond issue. The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, excludes Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.) \$5,000,000 was appropriated with project specific appropriations designated for the Miami Beach Golf Course Cart Barn, Technology Enhancements for the Normandy Park and Pool, Sidewalk and Street Restoration Citywide, FF&E for Fire Stations 2 & 4, Normandy Isle Neighborhoods Project, Flamingo Park Pool Deck Lighting, and Scott Rakow Youth Center Phase 2 project.
- **Capital Investment Upkeep Fund** - In FY 2005/06, the City Commission approved the establishment of a Capital Investment Upkeep Account that provides for the purpose of establishing and maintaining funding for General Fund non-facility related upkeep including landscaping, uplighting, pavers, etc. \$1,500,000 was appropriated and has been used to restore landscaping by the Julia Tuttle Interchange, 41 Street, Pinetree Park, etc.
- **Information & Communications Technology Fund** - In FY 2005/06 the City Commission has approved the establishment of a Information & Communications Technology Fund that provides for the purpose of establishing and maintaining funding for the procurement of new or enhanced information and technology needs of the City. \$1,000,000 was appropriated for funding projects such as the City's WiFi project, a new Storage Area Network, Voice-Over Internet Protocol enhancements, Data Center Uninterrupted Power Supply, new staffing software for the Fire Department, Performance Management Software, and Code Compliance software.

The City's total General Fund Operating Budget for FY 2005/06 is \$207.9 million. Excluding non-direct operating expenses for the Homeowners Dividend Fund (\$3.3 million) and the transfers to the General Fund Emergency Reserve (\$3.9 million), General Fund Capital Reserve (\$2.5 million), and General Fund Annual Operating Contingency (\$1 million), the total is \$197.2 million.

BAC Recommendation:

The City shall have a goal to fund at least 5% of the General Fund to fund the following capital needs as a permanent part of the budget:

- **Capital Renewal and Replacement** - to ensure adequate funding for the renewal and replacement of the City's General Fund facilities to extend the useful life or replace equipment whose useful life has expired.
- **Capital Reserve Fund** - to help ensure adequate funding related to previously approved capital projects for expenditures due to bids that are overbudget, change orders, or other unforeseen items for General Fund projects.
- **Pay-As-You-Go Capital Fund** - to ensure adequate on-going reinvestment in capital plant, and equipment, to avoid deferring capital needs until there is a major bond issue, and to address:
  - unfunded new projects recommended or approved in concept by the Commission;
  - new or additional scope for previously funded projects;
  - additional funding needs for previously approved capital projects, i.e. cost increases associated with approved Basis of Design Reports (BODR's) that are identified prior to going out for bid, many of which are due to increased cost of construction (e.g., due to increases in the cost of concrete, high demand for construction services in the local area, etc.)
  - The Pay-As-You-Go Capital Fund is funded by the General Fund and, as such, shall exclude Enterprise Fund projects supported by revenue bonds (water, sewer, stormwater, etc.)
- **Capital Investment Upkeep Fund** - to help ensure adequate funding for General Fund non-facility related upkeep.
- **Information & Communications Technology Fund** - to help ensure adequate funding for the procurement of new or enhanced information and technology needs of the City

The City shall strive to achieve as a goal that annual General Fund revenues in excess of expenditures shall be transferred to the Capital Reserve Fund.

The City shall have a goal to develop and maintain appropriate levels of capital reserves in the Enterprise Funds as in the General Fund.

## Guiding the Design of Programs and Services

### GFOA Recommendations

**Practice:** A government should develop and adopt policies and plans to guide the design of specific programs and services.

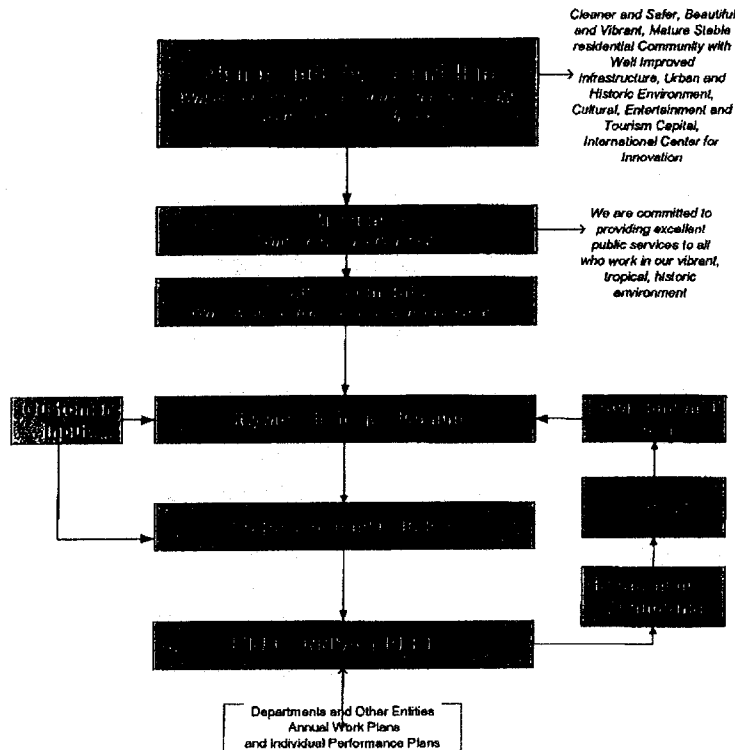
**Rationale:** Service and program policies and plans translate broad goals into strategies for achieving goals. These policies and plans provide the basis for designing specific programs and services.

**Outputs:** Program and service policies and plans may address items such as: groups or populations to be served, service delivery issues, examples of possible programs, standards of performance (including level of service standards or other measures to gauge success), expected costs, time frames for achievement of goals, issues pertaining to organizational structure, and priorities for service provision. Policies and plans should be adopted by the governing body and made publicly available.

**Notes:** A clear, well-documented statement of policies and plans in broad program and service areas becomes particularly important when goals cross organizational and program lines. For example, a goal to revitalize the downtown or to promote rural development could result in multi-departmental programs addressing job creation, transportation, housing, and health care.

### Current Conditions

Effective for the FY 2005/06 budget, the City implemented a new performance-based approach for allocating resources based on the City's Strategic Planning priorities and supporting department work plans in support of the City's Excellence model. The City's excellence model is a strategic measurement-based model for continuous improvement in the City. It is driven by the City's Vision, with priorities established at the strategic level based on customer input and environmental scan information. Broader Key Intended Outcomes are established as multi-year priorities, while more specific Citywide Initiatives are updated annually. Through the annual budget process, resources are allocated in support of these strategic priorities, and performance monitoring is used to track progress and make adjustments for further improvement.



A significant driver in developing Citywide priorities is the community input received through the community satisfaction surveys with residents, businesses and community organizations and focus groups. These provide an understanding of current satisfaction levels among community groups with the City of Miami Beach government and the services it provides; provide benchmarks to similar jurisdictions, and provide recommendations for improving satisfaction and quality of life, i.e. "key drivers for improving satisfaction". These results, along with an environmental scan of demographics, socio-economic data and department workload and performance measures; financial trends; and comparatives with other cities result in set of multi-year Key Intended Outcomes (KIOs) linked to the City's vision, and more specific annual Citywide Initiatives endorsed by the City Commission. Additional KIOs essential to the sustainability of City government are also identified supportive of the City's vision.

In addition to the identification of KIOs, the strategic planning process identifies measures to determine whether or not the City is successful in achieving the KIOs – "Key Performance Indicators" – as well as annual Citywide initiatives to help achieve each KIO.

The set of Citywide KIOs and Citywide Initiatives (updated annually) are used to guide departments as they analyzed existing services, and prepared their proposed work plans and budgets. Allocation of resources is based on enhancements developed to support each of the Citywide initiatives and Key Intended Outcomes.

**BAC Recommendation:**

- The City shall create a strategic plan that identifies multi-year strategic priorities (Key Intended Outcomes) with corresponding result measures for each priority.
- Annually, the City shall use a strategic planning process to develop initiatives that support the strategic plan priorities.
- The budget process and format shall be performance-based and focused on Key Intended Outcomes and performance measures.
- Any new initiative not core to the City's core mission or Key Intended Outcomes identified in the strategic plan that is greater than 0.5% of budget for the fund impacted per year, or cumulatively, shall be first considered as part of the City's annual strategic planning process to develop initiatives.



# General Fund Operating Budget and Work Plan FY 2006/07

July 6, 2006



MIAMI BEACH

# FY 2006/07 BUDGET EVENTS TO DATE

- ✓ April 27 & 28 – Commission Retreats
- ✓ June 1 - Preliminary Values
- ✓ May & June – BAC Budget Briefings
- ✓ June 1 & 2 - Commission Briefings – Department Budgets
- ✓ June 30 - Certification of Taxable Values
- ✓ July 6 – Finance and Citywide Projects / BAC Review

# FY 2006/07 BUDGET THEMES

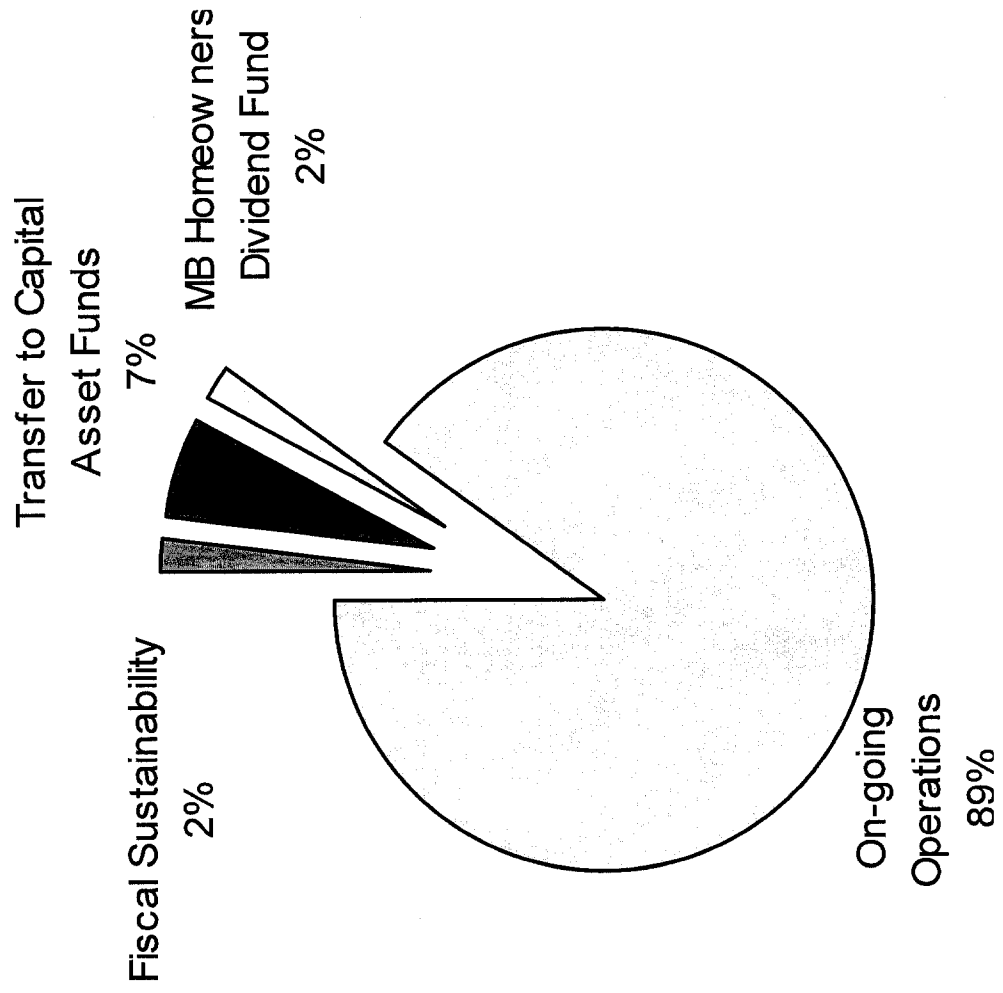
- Maintain current services
- Continue to increase taxpayer value for services
- Address priorities identified by the community
- Continue to incorporate structural changes for the future that ensure the fiscal management and sustainability for the city in the long term

# FY 2006/07 BUDGET – VALUE FOR TAX DOLLARS PAID

Increasing the value of services for taxes paid by the community:

- Reducing the overall combined millage by 0.4 mills - a reduction of \$30.75 paid to the City by the average homesteaded property owner – a reduction of over 1 mill since 2000
- A \$300 dividend return for Miami Beach year-round homeowners
- Providing fee relief for water, sewer, sanitation, and life safety inspections
- Expanding free access for residents to Miami Beach programs and facilities
- Enhancing service levels to address community priorities

# GENERAL FUND EXPENDITURE COMPONENTS



# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## Cleaner and Safer (\$2.9 million)

- 22 Additional officers over 2 years
  - ✓ 18 new police officers over 2 years for new midnight shift
    - 13 officers for midnight shift in FY 2006/07, 5 more in FY 2007/08
  - ✓ Funds 2 additional ATV officers
    - Thursday to Sunday evenings and nights
  - ✓ Adds 2 motor units for traffic enforcement
- Adds 3 new lifeguard stands – 6 lifeguards and 2 supervisors
- Further expands sanitations service
  - ✓ Washington, Ocean, Lincoln - from 5 to 7 days per week
  - ✓ Entertainment shift added (3am to 11am)
  - ✓ Expands litter control in parking lots, alleys, beach spoil areas
  - ✓ \$400,000 offset by equipment loan financing



# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## Beautiful and Vibrant, Mature Stable Residential Community, Urban and Historic Environment (\$1.2 million)

- Adds a code compliance “ombudsman” - problem resolution, expedite special master cases, provide quality assurance oversight, etc.
- Expands landscaping operations for new capital projects, parking lots, etc.
- \$0.5 million for reforestation program
- Enhances follow-up inspections to monitor compliance with DRB requirements
- Expands scholarships to traveling athletic leagues
- Expands snacks, books for literacy, and social skill development for camps
- Funds 2 treatment beds for the homeless for the first time

# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## Cultural, Entertainment and Tourism Capital (\$0.3 million)

- New monthly “Music in the parks” series
- New free cultural arts programs in after school and summer camps
  - ✓ (theatre, music, dance, visual arts)



# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## International Center for Innovation in Culture, Recreation and Business (\$0.76 million)

- Adds positions to
  - ✓ reduce the number of open TCO's and overdue re-certifications
  - ✓ reduce the backlog of building plan reviews
  - ✓ reduce response time to Answer Center requests
- Adds positions to improve customer service
  - ✓ particularly the ability to help expedite wait times
- Provides technology upgrades
  - ✓ a more customer-friendly inquiry system
  - ✓ upgrades to the wireless devices for inspections to allow:
    - greater flexibility in adapting to a changing environment
    - to track reasons for rejections
    - provide ability to view on-line the daily inspections for inspectors

# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## Well Improved Infrastructure (\$0.66 million)

- Improving traffic flow - adds 2 Motor units assigned full-time to parking
  - ✓ (addressing blocked lanes of travel, intersections, etc.)
- Prioritizes bike and pedestrian path enhancements for capital program
- Adds a Capital Projects Coordinator to manage public works projects
  - ✓ including the North Beach Recreational Corridor
- Enhances street light maintenance and assessments

# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

## Well Improved Infrastructure (\$2.5 million additional for Pay-as-you-go capital)

- Provide funding for capital projects  
(along with Quality of Life, South Pointe and City Center capital funds,  
People's Transportation funds, etc.)
  - ✓ Full funding for the Normandy Shore Golf Course and Facilities
    - clubhouse
    - cart barn, maintenance facilities and course restrooms
  - ✓ Alleyway improvements
    - paving, drainage gutters, landscaping
  - ✓ Development of transportation improvements
    - cross walks, speed monitors and countdown signals
  - ✓ Etc.

# FY 2006/07 BUDGET – COMMUNITY PRIORITIES

Communications, Customer Service and Internal Support Functions (\$0.4 million)

- Annual notification of expired permits to property owners
- New E-government position
  - ✓ expand the transaction of services via the internet
- Information technology fund ((\$400,000 increase in funding)
  - ✓ 2nd year funding for Wifi, UPS, VOIP, virus mitigation
  - ✓ Disaster Recovery
  - ✓ Police staffing software
  - ✓ Infrastructure Management for Parks
- Adds positions in Human Resources and Labor Relations; and financial positions
- Follow-up community surveys in 2007



# General Operating Millage

FY 2006/07



# FY 2006/07

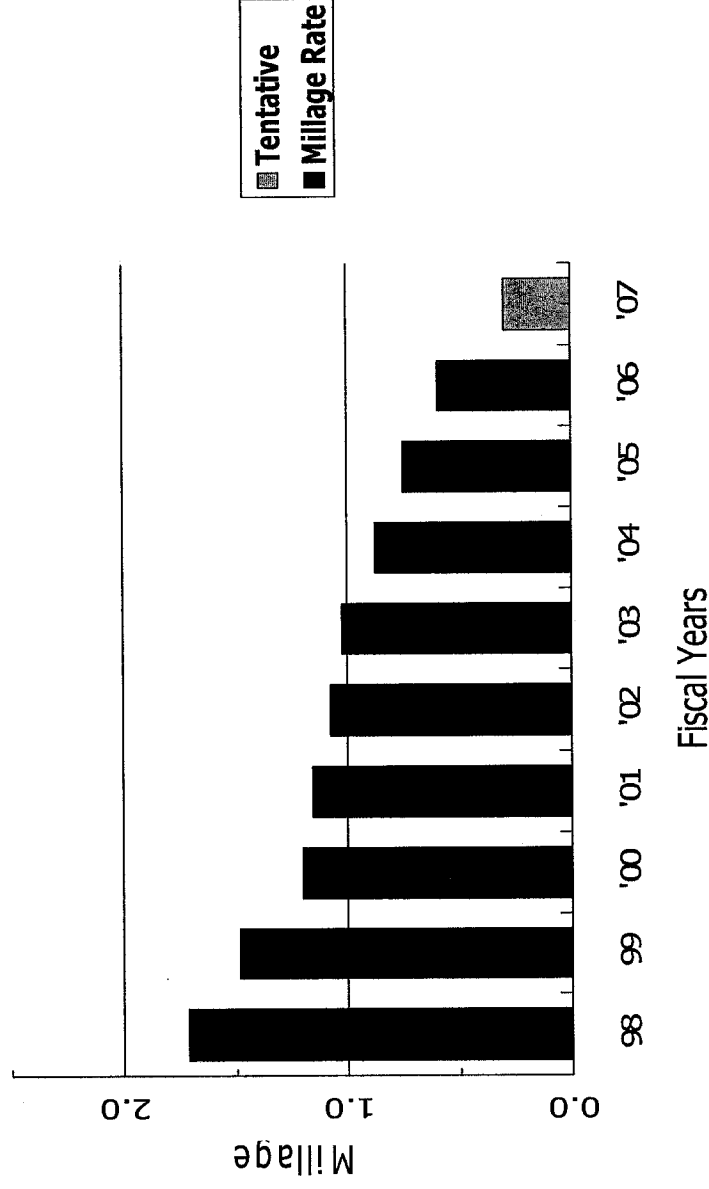
## CMB Total Combined Millage

	Overall Combined Tax Millage		
	FY 2005/06	<b>FY 2006/07</b>	Inc/(Dec)
General Operating	7.299	<b>7.192</b>	(0.107)
Renewal & Replacement	<u>0.182</u>	<b><u>0.182</u></b>	<u>0.000</u>
Total Operating Millage	<u>7.481</u>	<b><u>7.374</u></b>	<u>(0.107)</u>
Debt Service	<u>0.592</u>	<b><u>0.299</u></b>	<u>(0.293)</u>
TOTAL	<u>8.073</u>	<b><u>7.673</u></b>	<u>(0.400)</u>

Reduces millage for general operating expense to 7.192 mills - 0.107 millage reduction  
 - Balanced budget with community enhancements funded

Millage for Renewal & Replacement maintained at 0.182 mills

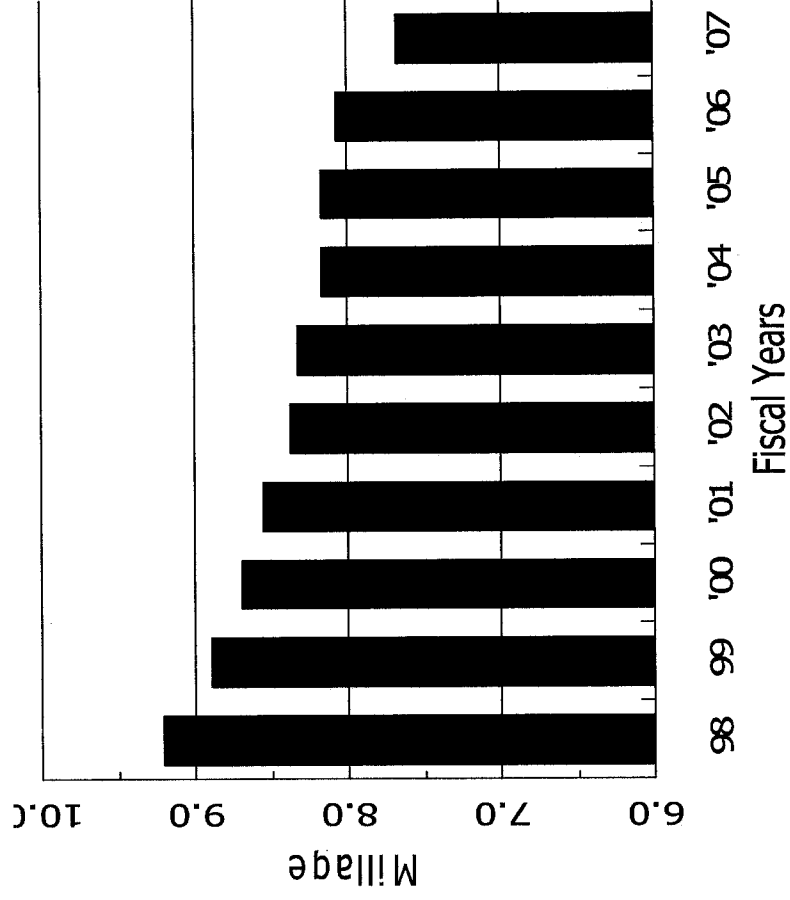
# FY 2006/07 Debt Service Millage



Debt Service: 0.299 mills – 50% less than the FY 2005/06 rate of 0.592 mills

Cumulative decrease of 1.185 mills since the last General Obligation Bond Referendum in FY 1999/00 – capacity for capital needs that could arise in the future.

# FY 2006/07 Total Combined Millage



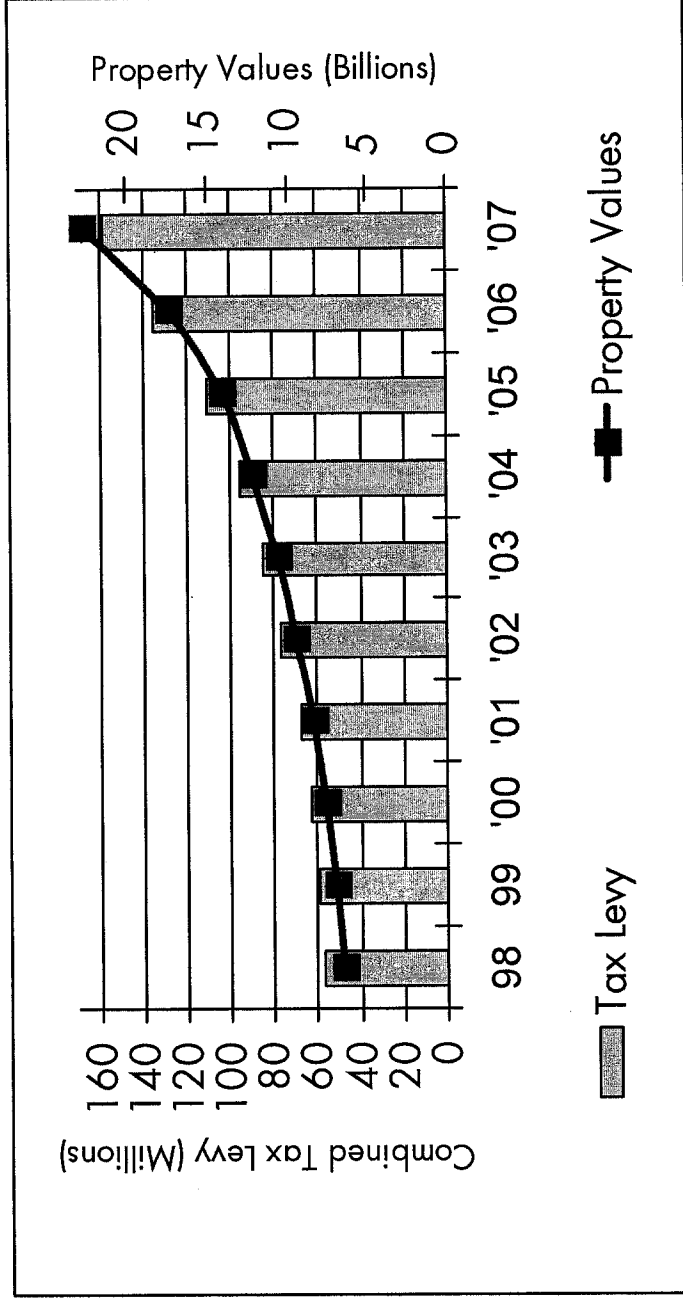
*The Proposed Budget represents the largest millage reduction in more than 10 years – 0.4 mills*

*The millage has been reduced more than 1 mills since FY 1999/00*



# FY 2006/07

## PROPERTY VALUES AND TAX LEVY



30% increase Citywide taxable values – \$17.45 to \$22.74 billion

27% increase in General Fund Ad Valorem revenues – \$101.45 to \$129.06 million

\$7.7 million in General Fund Ad Valorem revenues restricted to S. Pointe area remains the same

# FY 2006/07 General Fund

## Major Revenues

Revenues	FY 2006/07	Inc/(Dec)	% of Change	Inc/(Dec) over FY 2005/06 Total Budget
Operation Millage				
Property Tax Citywide	\$ 129,064,617	\$ 27,618,043	93%	13.3%
Property Tax South Pointe	7,718,251	-	0%	0.0%
Subtotal	136,782,868	27,618,043	93%	13.3%
Capital Renewal and Replacement	3,266,096	736,533	2%	0.4%
Interest Revenues	5,300,000	1,060,000	4%	0.5%
Franchise Fees and Taxes	22,153,300	1,390,000	5%	0.7%
Licenses and Permits	13,025,335	514,322	2%	0.2%
Intergovernmental Revenues	11,160,640	(1,859,956)	-6%	-0.9%
Resort Tax Contribution	19,571,309	-	0%	0.0%
All Other Sources*	26,413,548	289,037	1%	0.1%
Total	237,673,096	29,747,979	100%	14.3%

# FY 2006/07 General Fund Expenditure Highlights

Expenditures	Budget	% of Change	Inc/(Dec) over FY 2005/06 Total Budget
<b>FY 2005/06 Adopted Budget</b>	<b>\$ 207,925,117</b>		
<b>FY 2006/07 Current Service Level</b>	<b>\$ 16,940,264</b>	<b>57%</b>	<b>8.1%</b>
<b>Pension Restructure</b>	<b>2,715,000</b>	<b>9%</b>	<b>1.3%</b>
<b>Enhancements</b>			
General Fund Services	\$ 3,652,111	12%	1.8%
Internal Service Fund Enhancements	209,724	1%	0.1%
Subtotal Enhancements	3,861,835	13%	1.9%
<b>MB Homeowners Dividend Fund</b>	<b>\$ 1,630,880</b>	<b>5%</b>	<b>0.8%</b>
<b>Absorb partial FY 2005/06 WASD fee impact</b>	<b>\$ 1,000,000</b>	<b>3%</b>	<b>0.5%</b>
<b>Capital Asset Funds</b>			
Pay-as-You-Go Capital	2,500,000	8%	1.2%
Reforestation Program	500,000	2%	0.2%
Information & Communications Tech.	400,000	1%	0.2%
Hazard Mitigation	200,000	1%	0.1%
Subtotal	3,600,000	12%	1.7%
<b>Total General Fund Budget</b>	<b>\$ 237,673,096</b>	<b>100%</b>	<b>14.3%</b>

# FY 2006/07 General Fund

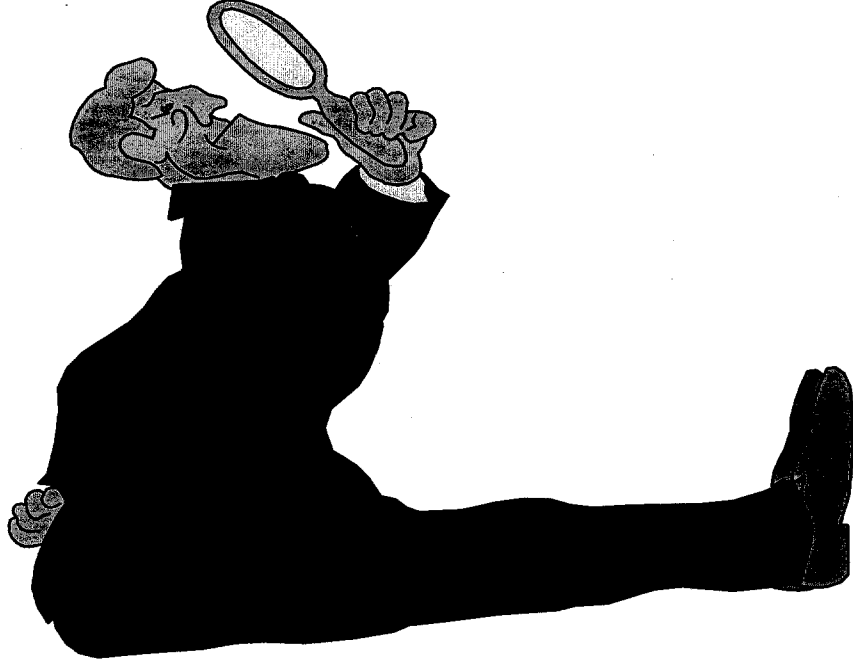
## Expenditures - Current Services

Expenditures	Inc/(Dec)	% of Change	Inc/(Dec) over FY 2005/06 Total Budget
Current Service Level			
COLA & Merits	\$ 6,763,998	40%	3.3%
Pensions - Current Amount	1,144,655	7%	0.6%
OT, Holiday Pay, Court OT	1,142,000	7%	0.5%
Accumulated Leave Payout	525,000	3%	0.3%
Health Insurance	679,845	4%	0.3%
Increased Special Event Costs	1,062,000	6%	0.5%
Elections	150,000	1%	0.1%
Internal Services	4,040,562	24%	1.9%
Capital Renewal & Replacement	736,533	4%	0.4%
11% Emergency Reserve Transfer	(601,289)	-4%	-0.3%
Other Costs	1,296,960	8%	0.6%
Total CSL	16,940,264	100.0%	8.1%



# IMPACT ON PROPERTY OWNER

## Amendment 10



- “Limits the increase in value of homesteaded property to the lesser of the rate of inflation or 3%”
- 2005 rate of inflation = 3.4%

# OVERLAPPING TAX DISTRICTS

	FY 05/06	FY 06/07	Inc/(Dec)
<b>Miami Beach</b>			
Operating	7.299	7.192	-0.107
Capital Renewal & Replacement	0.182	0.182	0.000
Debt Service	0.592	0.299	(0.293)
<b>Subtotal</b>	<b>8.073</b>	<b>7.673</b>	<b>(0.400)</b>
<b>Miami Dade County</b>			
Countywide	5.835	5.775	(0.060)
Library	0.486	0.486	0.000
Children's Trust	0.429	0.429	0.000
Debt Service	0.285	0.285	0.000
<b>Subtotal</b>	<b>7.035</b>	<b>6.975</b>	<b>(0.060)</b>
School Board	8.438	8.438	0.000
Other	0.736	0.736	0.000
<b>Total</b>	<b>24.282</b>	<b>23.822</b>	<b>(0.460)</b>

# IMPACT ON AVERAGE RESIDENTIAL PROPERTY OWNER

<b>Miami Beach</b>	<b>Total</b>	<b>%</b>	<b>Increase</b>
<b>Operating</b>	<b>\$1,597.99</b>	<b>30.19%</b>	<b>\$28.78</b>
<b>Capital Renewal &amp; Replacement</b>	<b>40.44</b>	<b>0.76%</b>	<b>1.31</b>
<b>Debt Service</b>	<b>66.43</b>	<b>1.26%</b>	<b>(60.84)</b>
<b>Subtotal</b>	<b>\$1,704.86</b>	<b>32.21%</b>	<b>(\$30.75)</b>
<b>Miami Dade County</b>	<b>\$1,549.77</b>	<b>29.28%</b>	<b>\$37.31</b>
<b>School Board</b>	<b>1,874.84</b>	<b>35.42%</b>	<b>60.75</b>
<b>Other</b>	<b>163.54</b>	<b>3.09%</b>	<b>5.31</b>
<b>Total</b>	<b>\$5,293.01</b>	<b>100.00%</b>	<b>\$72.62</b>

★ Based on an average assessed value of \$247,000 less the \$25,000 Homestead exemption

★ Offset by \$300 CMB Homeowners Dividend Fund Payment

# BUDGET OVERVIEW

GENERAL OBLIGATION DEBT	\$ 6,561,271
ENTERPRISE FUNDS	\$120,332,386
Water, Sewer, and Stormwater	Sanitation
Parking	Convention Center/TOPA
REDEVELOPMENT AGENCY (RDA)	\$ 18,991,324
City Center	
<u>Total General Fund, GO Debt, Enterprise &amp; RDA Funds = \$ 383,558,077</u>	
RESORT TAX FUND	\$ 35,848,200
INTERNAL SERVICE FUNDS	\$ 51,235,472
Information Technology	Risk Management
Central Services	Property Management
Fleet Management	



# FY 2006/07 BUDGET HIGHLIGHTS

## **Increasing the value for the community:**

Reducing the overall combined millage by **0.4 mills** - a reduction of \$30.75 paid to the City by the average homesteaded property owner  
- a reduction of over 1 mill since 2000

A **\$300** dividend return for Miami Beach year-round homeowners

Providing **fee relief** for water, sewer, sanitation, and life safety inspections and expanding free access for residents to Miami Beach programs and facilities

Enhancing service levels to **address community priorities**

- 22 new police officers over 2 years
- expanded sanitation services
- reforestation program
- new programs in visual and performing arts for our children
- improving customer service and wait times in Building

# NEXT STEPS

- ✓ July 12 – Setting Tentative Millage
- ✓ Sep 6th - 1st Public Hearing
- ✓ 2nd Public Hearing - Date TBD

## -COMMISSION ITEM SUMMARY

### Condensed Title:

Donating surplus funds from the MBHFA account in the amount of \$1,001,286 funds to be appropriated and disbursed as follows: 1) \$249,675 To Miami Beach Community Health Center Inc. 2) \$751,611 To Mount Sinai Medical Center. Also waving the fees charged to Mount Sinai for 2005 fees in the amount of \$121,084.

### Key Intended Outcome Supported:

Increase resident ratings of Public Safety Services

### Issue:

Approve the Resolution

### Item Summary/Recommendation:

The Health Facility Authority and the Finance and Citywide Project Committee both recommend approving the resolution.

### Advisory Board Recommendation:

Health Facility Authority and Finance and Citywide Project Committee

### Financial Information:


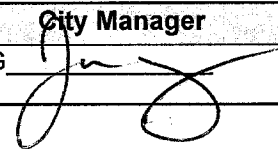
Source of Funds:		Amount	Account	Approved
<div style="border: 1px solid black; width: 80px; height: 40px; margin: 0 auto;"></div> OBPI	1	\$1,001,286	166-1970-000343	
	2			
	3			
	4			
	Total	\$1,001,286		

**Financial Impact Summary:**

### City Clerk's Office Legislative Tracking:

Patricia Walker

### Sign-Offs:

Department Director	Assistant City Manager	City Manager
_____	PDW 	JMG 



# MIAMI BEACH

AGENDA ITEM

B7P

DATE

7-12-06



# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## COMMISSION MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: July 12, 2006

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING A DONATION OF SURPLUS FUNDS FROM THE MIAMI BEACH HEALTH FACILITIES AUTHORITY ("MBHFA") ACCOUNT, PURSUANT TO A RESOLUTION OF THE MBHFA ADOPTED AT ITS MAY 31, 2006 MEETING, IN THE AMOUNT OF \$1,001,286, FOR APPROPRIATION AND DISBURSEMENT BY THE CITY TO NON-PROFIT HUMAN HEALTH SERVICE AGENCIES, AS PROVIDED IN SECTION 154.209(14), FLORIDA STATUTES; PROVIDED FURTHER THAT THE MBHFA AND THE FINANCE AND CITYWIDE PROJECTS COMMITTEE RECOMMENDS THAT SUCH SURPLUS FUNDS BE APPROPRIATED AND DISBURSED AS FOLLOWS: 1) \$249,675 TO MIAMI BEACH COMMUNITY HEALTH CENTER, INC., TO FUND THE PURCHASE OF AN EMERGENCY GENERATOR FOR THE 71<sup>ST</sup> STREET CENTER; AND 2) \$751,611 TO MOUNT SINAI MEDICAL CENTER, TO BE USED TOWARD SUCH DISASTER PREPAREDNESS EFFORTS, AS REFERENCED IN MOUNT SINAI'S PROPOSAL AND PRESENTATION TO THE MBHFA, DATED MAY 31, 2006, FURTHER WAIVING THE MBHFA FEES CHARGED TO MOUNT SINAI MEDICAL CENTER FOR THE FISCAL YEAR 2005, IN THE AMOUNT OF \$ 121,084, PROVIDED THAT SAID WAIVER OF FEES IS SUBJECT TO AND CONTINGENT UPON MOUNT SINAI'S AGREEMENT TO USE SAID AMOUNT TOWARD DISASTER PREPAREDNESS EFFORTS, AS SET FORTH IN ITS PROPOSAL AND PRESENTATION TO THE HFA, AT ITS MEETING ON MAY 31, 2006.**

### **ADMINISTRATION RECOMMENDATION**

Adopt the Resolution.

### **FUNDING**

Funding in the amount of \$1,001,286 has been donated by the Miami Beach Health Facilities Authority to the City of Miami Beach for appropriation and distribution to non-profit human health service agencies.

### **ANALYSIS**

The Miami Beach Health Facilities Authority ("MBHFA") collects various fees for issuing bonds for non-profit human health care providers. At their meeting on May 31, 2006, the MBHFA made a determination that they had \$1,001,286 of excess funds and agreed to

donate them to the City of Miami Beach for appropriation and distribution to non-profit human health care agencies.

Additionally, the MBHFA also heard proposals from both Mount Sinai Medical Center and the Miami Beach Community Health Center and agreed to recommend the distribution of the \$1,001,286 as follows:

- a) that the amount of \$249,675.00, be appropriated and disbursed to Miami Beach Community Health Center, Inc., to fund the purchase of an emergency generator for the 71<sup>st</sup> Street Center; and
- b) that funds, in the amount of \$ 751,611.00, be appropriated and disbursed to Mount Sinai Medical Center to fund disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the HFA at its May 31, 2006 meeting.

The HFA also voted to waive the fees owed by Mount Sinai Medical Center for the fiscal year 2005, in the amount \$ 121,084, provided that said monies are applied by Mount Sinai to fund such disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the MBHFA at its May 31, 2006 meeting.

The recommendation of the MBHFA for appropriation and disbursement of funds in the amount of \$1,001,286 was presented at the Finance and Citywide Projects Committee meeting of July 6, 2006. The Committee concurred with the MBHFA's recommendations for distribution to Mount Sinai Medical Center and the Miami Beach Community Health Center. The Committee also asked the MBHFA to reevaluate the \$300,000 being held in contingency at the MBHFA's next meeting.

JMG:PDW:ris

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RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, ACCEPTING A DONATION OF SURPLUS FUNDS FROM THE MIAMI BEACH HEALTH FACILITIES AUTHORITY ("MBHFA") ACCOUNT, PURSUANT TO A RESOLUTION OF THE MBHFA ADOPTED AT ITS MAY 31, 2006 MEETING, IN THE AMOUNT OF \$1,001,286, FOR APPROPRIATION AND DISBURSEMENT BY THE CITY TO NON-PROFIT HUMAN HEALTH SERVICE AGENCIES, AS PROVIDED IN SECTION 154.209(14), FLORIDA STATUTES; PROVIDED FURTHER THAT THE MBHFA AND THE FINANCE AND CITYWIDE PROJECTS COMMITTEE RECOMMEND THAT SUCH SURPLUS FUNDS BE APPROPRIATED AND DISBURSED AS FOLLOWS: 1) \$249,675 TO MIAMI BEACH COMMUNITY HEALTH CENTER, INC., TO FUND THE PURCHASE OF AN EMERGENCY GENERATOR FOR THE 71<sup>ST</sup> STREET CENTER; AND 2) \$751,611 TO MOUNT SINAI MEDICAL CENTER, TO BE USED TOWARD SUCH DISASTER PREPAREDNESS EFFORTS, AS REFERENCED IN MOUNT SINAI'S PROPOSAL AND PRESENTATION TO THE MBHFA, DATED MAY 31, 2006; FURTHER WAIVING THE MBHFA FEES CHARGED TO MOUNT SINAI MEDICAL CENTER FOR FISCAL YEAR (FY) 2005, IN THE AMOUNT OF \$ 121,084, PROVIDED THAT SAID WAIVER OF FEES IS SUBJECT TO AND CONTINGENT UPON MOUNT SINAI'S AGREEMENT TO USE SAID AMOUNT TOWARD DISASTER PREPAREDNESS EFFORTS, AS SET FORTH IN ITS PROPOSAL AND PRESENTATION TO THE HFA, AT ITS MEETING ON MAY 31, 2006.

**WHEREAS**, the Miami Beach Health Facilities Authority (MBHFA) was created and established in accordance with Section 154.207, Florida Statutes, to improve the commerce, welfare and prosperity of the citizens of Miami Beach and their health and living condition; and

**WHEREAS**, at its meeting on May 31, 2006, and as provided in Section 154.209(14) Florida Statutes, the MBHFA approved a resolution for the donation of a portion of the surplus funds in the MBHFA account, in the amount of \$ 1,001,286, for appropriation and disbursement by the City to non-profit human health service agencies; and

**WHEREAS**, the MBHFA further recommended that, in appropriating and disbursing the aforesated surplus funds, the Mayor and City Commission consider the foregoing recommendations:

- a) that the amount of \$249,675, be appropriated and disbursed to Miami Beach

F:\fina\ACCOUNTS PAYABLE\SMAN\Ramon Suarez\RAMON SUAREZ\F & CWP\07-06-2006\Donation of Surplus Funds -HFA.docCommunity Health Center, Inc., to fund the purchase of emergency generators for the 71<sup>st</sup> Street Center; and

- b) that funds, in the amount of \$ 751,611, be appropriated and disbursed to Mount Sinai Medical Center to fund disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the MBHFA at its May 31, 2006 meeting; and

**WHEREAS**, at its meeting on May 31, 2006, the MBHFA also unanimously voted to waive the fees owed by Mount Sinai Medical Center for Fiscal Year (FY) 2005, in the amount of \$ 121,084, provided that said monies are applied by Mount Sinai to fund such disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the MBHFA at its May 31, 2006 meeting.

**WHEREAS**, at its meeting on July 6, 2006, the Finance and Citywide Projects Committee approved the recommendation of the Health Facility Authority.

**NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA**, that the Mayor and City Commission hereby accept a donation of surplus funds in the MBHFA account, in the amount of \$ 1,001,286, for appropriation and disbursement by the City to non-profit human health service agencies, pursuant to a resolution of the MBHFA adopted at its May 31, 2006 meeting and as further provided in Section 154.209(14), Florida Statutes; provided further that the MBHFA, along with the Finance and Citywide Committee, recommends that said surplus funds be appropriated and disbursed by the City as follows: 1) \$249,675 to Miami Beach Community Health Center, Inc., to fund the purchase of emergency generators for the 71<sup>st</sup> Street Center; and 2) \$751,611 to Mount Sinai Medical Center, to be used toward such disaster preparedness efforts, as referenced in Mount Sinai's proposal and presentation to the MBHFA, dated May 31, 2006; further approving the waiver of the MBHFA's fees owed by Mount Sinai Medical Center for FY 2005, in the amount of \$ 121,084, provided that said waiver of fees is subject to and contingent upon Mount Sinai's agreement to use said amount toward disaster preparedness efforts, as set forth in Mount Sinai's proposal and presentation to the MBHFA, at its meeting on May 31, 2006.

**PASSED and ADOPTED** this \_\_\_\_ day of \_\_\_\_\_, 2006.

**ATTEST:**

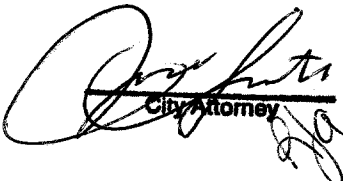
\_\_\_\_\_  
**CITY CLERK**

JMG/PDW/ris

\_\_\_\_\_  
**MAYOR**

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**APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION**

  
\_\_\_\_\_  
City Attorney

7/11/06  
\_\_\_\_\_  
Date



# MIAMI BEACH

OFFICE OF THE MAYOR AND COMMISSION

## MEMORANDUM

TO: Jorge M. Gonzalez, City Manager

FROM: Commissioner Matti H. Bower

DATE: July 11, 2006

SUBJECT: **Agenda Item – Ad Hoc Condominium Reform Taskforce Progress Report and Recommendations.**

Please place on July 12, 2006 Commission Agenda an item for discussion regarding Ad Hoc Condominium Taskforce Progress Report and Recommendations.

I have attached the Memorandum with said Progress Report and Recommendations.

I thank you in advance for your cooperation. If you have any questions please do not hesitate to contact me or my Aide, Yvonne at extension 6091.

MHB/yws

RECEIVED  
2006 JUL 11 PM 3:23  
CITY MANAGER'S OFFICE  
BY \_\_\_\_\_

Agenda Item R9N  
Date 7-12-06





# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, [www.miamibeachfl.gov](http://www.miamibeachfl.gov)

## MEMORANDUM

TO: Mayor David Dermer and Members of the City Commission

FROM: Ad Hoc Condominium Reform Taskforce

DATE: July 12, 2006

SUBJECT: **AD HOC CONDOMINIUM REFORM TASKFORCE PROGRESS REPORT  
AND RECOMMENDATIONS**

### **Background**

The Ad Hoc Condominium Reform Task Force was authorized by the City Commission at the December 7, 2005 Commission Meeting.

The Taskforce is composed of 14 members, and includes co-chairs Commissioners Luis R. Garcia, Jr. and Matti H. Bower as well as two members appointed by each member of the City Commission.

The first meeting of the Taskforce took place on Tuesday, February 7, 2006, and the Taskforce established its meeting schedule as every other Tuesday thereafter. On May 2, 2006, The Taskforce voted to change the composition of the Taskforce to alternate chairmanship between Commissioner Garcia and Commissioner Bower. Under this scenario, one of the Commissioners would serve as a non-voting observer. This would alternate every other meeting as noted above.

At the May 30, 2006 meeting, The Taskforce voted to extend the committee for 6 months. The Committee will sunset on December 7, 2006.

The Taskforce voted to have Committee meetings once a month and allow for emergency session to be called by the Chair. For this purpose, either Commissioner Bower or Garcia could call the emergency meeting.

### **Recommendations to the City Commission**

At the July 10, 2006 meeting, the Taskforce voted to provide the City Commission the following recommendations to be included in the City's Legislative Agenda for the Florida Legislature:

- Amend the Condominium Act to require the licensing of condominium management companies. Currently, individual condominium or property managers must be licensed, but the employing company does not.
- Amend F.S. 718.616 (4), which is the statutory section that regulates condominium conversions, to expand the content of the municipal letter to include disclosure of all outstanding building code violations.

- Amend F.S. 718 to require that all outstanding building code violations be resolved prior to State approval of a condominium conversion.
- Amend F.S. 718.616 to require submission by the applicant to the local governing body of those items required to be disclosed pursuant to a conversion.
- Amend F.S. 718.616 to expand disclosure requirements to include:
  - (1) outstanding municipal code (building, use, etc.) violations on the premises
  - (2) date of most recent recertification
  - (3) accounting of the status of the capital replacement and repair reserve funds
  - (4) current capital contracts in effect
  - (5) any litigation regarding the premises
  - (6) listing of all outstanding municipal or contractor liens
  - (7) all current municipal occupational licenses and uses for the premises
- Require the following disclosures to all unit owners once a year:
  - (1) outstanding municipal code (building, use, etc.) violations on the premises
  - (2) date of most recent recertification
  - (3) accounting of the status of the capital replacement and repair reserve fund
  - (4) current capital contracts in effect
  - (5) any litigation regarding the premises
  - (6) listing of all outstanding municipal or contractor liens
  - (7) all current municipal occupational licenses and uses for the premises
- Amend Florida Statutes to reduce the initial recertification requirement for condominium buildings from 40 years to 20 years by a registered, Florida professional engineer for all building systems, with a required renewal every 5 years thereafter.
- Pursue the creation of a State Grant Program to offset the costs of building, fire and life safety related significant renovations to older structures, and amend the Florida Statutes to create authority for municipal conduit financing for the same type of renovations.
- Amend Florida Statutes to authorize local jurisdictions to require that condominium associations, at occupational license renewal, provide confirmation that all unit owners have been provided notice of all code violations in the building's common areas.

### **Accomplishments**

Since its inception, the Ad Hoc Condominium Reform Taskforce has worked with the City Administration and City Attorney's Office to tackle and resolve a broad spectrum of issues.

The Taskforce has focused on public awareness and increased communication regarding condominium issues. Coordinated through the City's Neighborhood Services Department, the Taskforce has hosted two free workshops presented by the State Ombudsman's Office. The topics of the workshops were Condo Owner's Rights and Responsibilities and Governing Documents of Condominiums, both of which were televised on MBTV/CH 77.

Also, the Taskforce voted to require courtesy notices of Special Master Hearings for common area violations. This request has been reviewed by the City Attorney's Office and the Building Department, and draft language has been approved by the Taskforce. Staff is working to finalize the administrative protocol to execute this request.

 DM